

# **The Currency of Sentiment: An Essay on Informal Accumulation in Colonial India <sup>1</sup>**

Dilip Simeon.

NB: This essay was first presented to a seminar on Corruption at the Davis Center for Historical Studies, Princeton University in April 1999, and later published in a collection edited by Emmanuel Krieken and William Chester Jordan, entitled *Corrupt Histories*, University of Rochester Press, Rochester, 2004; pp 386-427.

Every native of India, I verily believe, is corrupt.

Lord Cornwallis, Governor General for the East India Company 1786-1795.<sup>2</sup>

Yet in a world of unrelieved gloom there remains an essential difference between the scoundrelism of the top dogs and that of Ah Q, the difference which separates the executioner from the victim. Grotesque, odious and contemptible though he may be, Ah Q is finally redeemed in our eyes by a kind of fundamental innocence: his deprivation is total, he possesses nothing of his own - not even his vices, which in fact are merely a pathetic caricature of the vices of his oppressors.<sup>3</sup>

## **Introduction**

The most striking thing about the term 'corruption' is the combination of its ubiquity as a diagnostic category in the sociology of administration, with its rhetorical, pejorative meaning in civil and political life. On the one hand it is treated as an analytical term in state discourse and in an ideological spectrum ranging from proponents of the status-quo to its radical critics. Development experts, World Bank economists and politicians cite corruption as a barrier to 'growth', free investment and social justice. Sociological processes, institutional flaws, cultural norms and errors of judgement by policy makers may be cited as its causes. It may be attributed to insufficient modernisation, looked upon as an inevitable reaction to cumbersome bureaucracies, or treated as a fact of life. It has also been treated as an inevitable symptom of transition from backward (and more recently, ex-Communist) economies to modernity. In this case its pejorative aspect gets diminished - it has been suggested that "the taking of bribes by government officials in

these countries can be viewed with equanimity to the extent that it at least indicates an understanding of how market forces operate in a liberal economic environment".<sup>4</sup> 'Corruption' is equally useful as a rhetorical device in criticisms of the establishment. Politicians of different persuasions regularly accuse their opponents of corruption, although these accusations are often references to personal characteristics and idiosyncrasies rather than part of a systemic critique. Its normative tint makes corruption a suitable idiom for a range of populisms, not to speak of imperial concerns. And by describing as fortuitous elements of degeneration which signify fundamental shortcomings in the polity, the discourse of corruption serves to detract from broader issues.

The phenomenon denoted by the term 'corruption' is steeped in ambivalence. However, its rhetorical use permits of no ambivalence - to aver that such and such person (or institution) is corrupt is an unambiguous statement about the character of the said agent. It is this perpetual oscillation between a crystalline ethical judgement when used in any Present and a phenomenological translucence when these judgements are scrutinized, either in the same Present or historiographically, that has given 'corruption' its unique stamina in public discourse. It satisfies the need for monochromatic explanations of malfunctioning systems, even as it promises to quench our thirst for a moral statement about those systems. In our period, when the globalised world economy envisioned by Marx has come into its own, 'corruption' flourishes in the vocabulary of modern capitalist society, its usage fraught with the tension I have pointed to above. This liminality of meaning is not accidental, but derives from its special function as the acceptable, assimilable malaise of the capitalist order. We are all against corruption. It is supposed to occur everywhere (alas, human nature is such, etc); and at the same time it is the one flaw that the discourse of Capital allows us to find in capitalist society. Its usage suggests that corruption is a mere epiphenomenon which will fade away with the advent of honest politicians, or be controlled within tolerable limits, depending on the viewpoint of the observer. Either way, criticisms of corruption as well as promises to eradicate it may always be made, since like Capital (if Fukuyama is to be believed), it will be with us for quite some time.

I shall begin with a speculative argument in which the reader might discern a distinction between corruption as discourse and corruption as practice. An explanation of the latter implies a critique of the former. (It also implies an infusion of fresh meaning to the term). I suggest that there are certain hybridised social relations which form the basis of the Indian polity, and which are sought to be maintained as a form of social ordering. These relations produce practices which can be named corrupt, ranging from bribery and graft to nepotism and influence-peddling. They also give rise to a hypocritical public culture wherein people practice themselves what they criticize in others. The discourse of corruption seizes upon the manifestations while ignoring the well-springs. I will reverse the procedure and try and identify those social relations. The argument will proceed through a recounting of events and circumstances culled from my research in labour history. The first set of issues deals with the politics of the labour movement in India's first company town, Jamshedpur, in the rich metallurgical zone of Chota Nagpur. This material focusses on the relationship between the state, colonial capital and labour, and informal mechanisms of control. After this, I cite materials related to employment in the so-called sector of informal labour, particularly in the coalfields of colonial India. The conclusion will recapitulate the argument, and continue the speculation.

### **A Speculation**

The association of corruption with money does not exhaust its meaning. Contemporary usages listed by the New Shorter Oxford Dictionary include the following: (as an adjective) depraved, infected with evil, perverted from fidelity; (as a verb): to render morally unsound, destroy the moral purity or chastity of, defile; contaminate, induce to act dishonestly or unfaithfully, pervert the text or sense of a law etc., for evil ends, destroy the purity of (a language) or the correctness of (a text), putrefy, undergo moral decay, degenerate, destroy moral purity (as in Acton); (as a noun), a change for the worse of an institution or custom, a departure from a state of original purity, moral deterioration. To my mind the crux of the matter lies in "perversion from fidelity", implying moral decay, faithlessness, betrayal. This perversion can take place only in the realm of public trust, even if that trust be located in the sphere of private enterprise or small-scale group activity, where the corrupt agent misuses power (or betrays responsibilities) deriving from, or accruing to the public weal for a private purpose.

`Corruption' cannot be understood as a departure from a state of original purity. Nor should it be seen as an excrescence originating in `tradition', incomplete modernisation or the degeneration of personality. Despite being ideologised as external to the system, it is something immanent, controlled to some degree. Corruption arises from the dynamic tension between (and functional interdependence of) two kinds of institutional space. The first vests in rational categories of governance, such as Law, Contract, Value, Regulation, Citizenship and the Universal Interest, categories that operate through what I shall name the *currency of abstraction*. Such abstractions are manifested in formal, rule-governed structures. They have a long history, but have become far-reaching and tenacious under modern capitalism and the nation-state. The second is the nexus defined by informal ties of social knowledge and kinship, conventions and identities, and the myriad conduits of power and information inherent in daily life, which I refer to collectively and for want of a better term, as the *currency of sentiment*. What characterises them is not surreptitiousness, which may or may not be present, but their *informality*. It is true that informality has its own codes of propriety, but these are outside the purview of official regulation.<sup>5</sup> Both types of relationships play a role in the exercise of power.

I do not wish to imply that everyday life is lived in watertight compartments which keep abstract categories of governance separate from culture and sentiment. Nor do I wish to assign a normative tint (positive or negative) to the workings of either. Despite its “rational” self-image, the modern nation-state regularly deploys sentiment in the form of tradition, honour and loyalty. This happens in warfare and in legal systems, for example, in emblems of regiments and oaths taken upon holy books. These psycho-social forms and conventions exemplify the disciplining and mobilisation of sentiment for purposes of governance.<sup>6</sup> However, structures of formality can never harness all manifestations of social bonding and knowledge. The latter continue to function, in predictable, sometimes unforeseen ways. My presentation of these “currencies” in binary mode, therefore, is intended to underline an analytical distinction which is necessary at this stage of the argument. Their notional separateness is the basis for theorising the ambivalent and extra-legal practices in between, which feed the phenomenon of corruption. Their

interdependence and interaction is a point to which I shall return shortly.

It might be argued that such an analysis does not account for corruption involving monetary exchanges. Now money, the universal form of value, straddles the spheres of operation of these two currencies. For purposes of validation, money has to be physically produced and released in formal conditions - for which reason governments (and their critics) often suffer from the illusion that the control of money supply puts them in full control of "the economy". But capital is not reducible to money, and in any case, its circulation, velocity and reach are (despite valiant efforts) beyond official control. Money may ideally be *meant* to function as an attribute of Perfect Competition and the Free Market, and flow through the bank-accounts of *homo oeconomicus*, but in the absence of these chimerical entities, and pending their arrival on earth, its actual movement takes place as much in grey areas and zones of informality, as in full light of day. This could be the reason why large sums of cash exude the odour of criminality, Swiss banks are popular with crooks and theologians through the ages have been preoccupied with the pros and cons of avarice.

This reasoning suggests that the two currencies have never operated exclusively. The constant osmosis of 'black' into 'white' (laundered) money and vice-versa should make this obvious. Is it not remarkable that phenomena as divergent as nepotism, which is based on personal acquaintance; and bribery, which is a more 'democratic' malfeasance involving cash rather than intimacy, should both fall within the purview of 'corruption'.? What is noteworthy about financial corruption is not the appearance of money, but the unregulated use to which it is put, and the arbitrariness of its quantum. As with other forms of corruption, it results in the construction, sometimes temporary, of an informal bond between the parties involved. It could also be seen as a permanent bond, a flexible social continuum whose agents might change, but whose structure remains. After all, payments can be made in forms other than monetary, and power accumulates as much as does a hoard. It is the purpose, space and legitimacy of the transaction which determines whether or not it constitutes a corrupt practice. Abstractions and the sentiments are not mutually repellent. Rather, the currency of abstraction serves to disguise or legitimise extra-economic, informal and illicit arrangements. And the currency of sentiment

lubricates the functioning of the world of abstract categories. The two need each other. To imagine a world wherein this tension is abolished, a world functioning solely through reified abstractions is to indulge in the purest capitalist utopia. (This utopia has an ideological function).

### **Indian corruption**

The predominant usage of 'corruption' in India concerns the misuse of public authority for pecuniary benefit, and patronage (nepotism). Eight years before Independence, Mahatma Gandhi complained bitterly about what the future rulers of the new India were capable of:

I would go to the length of giving the whole Congress organisation a decent burial rather than put up with the corruption that is rampant. I do not know that I could take all members of the Working Committee with me in this view... I believe that violence and corruption are rampant.<sup>7</sup>

Lest we are in some doubt as to what Gandhi was troubled by, let us hear what India's second President, the philosopher Sarvepalli Radhakrishnan had to say:

Unless we destroy corruption in high places, root out every trace of nepotism, love of power, profiteering and blackmarketing which have spoiled the good name of this country in recent times, we will not be able to raise the standard of efficiency in administration as well as in the production and distribution of goods.<sup>8</sup>

Some years later, the author of an official inquiry reported that:

There is widespread impression that failure of integrity is not uncommon among ministers and that some ministers who have held office during the last sixteen years have enriched themselves illegitimately, obtained good jobs for their sons and relations through nepotism, and have reaped other advantages inconsistent with any notion of purity in public life.<sup>9</sup>

It is clear from these observations that patronage is as closely associated with 'corruption' as the illicit accumulation of money. However, patronage cannot be reduced to nepotism, the procurement of jobs for relatives or associates. It could be used for "reaping other advantages inconsistent" with "purity in public life". In this sense its scope expands far beyond the ambit of individual corruptibility. Entire social segments were patronised by the colonialists as levers of power and knowledge, and gained from their

intermediary position. Bayly describes the revenue settlements of Awadh in the early nineteenth century, where "the British were heavily dependent on nouveaux-riches revenue contractors and local writers who could present themselves as experts... The result was an industry of forgery, enormous speculation and corruption on the part of those interests who falsified revenue papers... to help themselves to large holdings of land rights...".<sup>10</sup> To this day the process of translation and facilitation in the Indian law courts and offices dealing with registration of various titles and deeds employs an army of touts who perform licit as well as illegal functions. The demarcation between the two is often blurred, but what stands out is the system's reliance upon and indeed, patronage of touting as a profession.

The common-sensical discourse of corruption is slippery and inconsistent. The inconsistency is necessary, because while it is politically convenient to flay the ever-rejuvenating phoenix of corruption, a radical analysis would lead to conclusions subversive of the existent structure of social relations. We cannot understand 'corruption' as long as we remain in thrall to a discourse imbued with analytical hesitation and ethical opportunism. Nor is it wise to be fixated by the dichotomy between the structural and moral causes of corruption, even when close examination warrants a degree of stress upon one or the other. Social structures are complexes of institutions, which in turn are held together by an ethical fabric. Discourses of corruption arise where institutions function in a manner disturbing and detrimental to their own stated ethical imperatives. We need to ask why social structures tend to undermine themselves ethically, and what precise historical role is played by public perceptions of their degeneration.

Certain features of Brahmanic culture have contributed to the conflict of norms mentioned above. Prominent among these is the longevity of legal doctrines (or values stemming therefrom) which delineate crime and punishment within a hierarchical universe, according to the status of the wrong-doer rather than the crime committed. Texts such as the *Manusmriti*, the *Satapatha Brahmana* and the *Arthashastra* written by ancient law-givers, make it clear that concepts of truth, wrong-doing and punishment are relative to the caste of the persons involved. Brahmins were repositories of truth, were

exempt from corporal punishment, and along with Kshatriyas, from the payment of taxes. Gautama's *Dharmasutra* even permits a Brahmin to help himself to the money of a *sudra* (untouchable, low caste, servant), by force to defray the expenses of a marriage or ritual, and to do the same with the property of members of other orders who had neglected their religious duties. *Sudras* (in some texts the very representation of untruth), were excluded from the pursuit of knowledge, condemned to a life of hard labour, could expect no civil or religious rights, and liable to severe corporal punishments. Real life often deviated from these clear-cut norms, but the fact remains that the prescriptions governing individual conduct differed according to rank, as did punishments for the same offence.<sup>11</sup>

The stamina of these ideals caused much irritation to the administrators of the East India Company in the late eighteenth century. In her excellent work on early colonial law, Radhika Singha cites three cases of murder in the Benares zamindari in 1789 and 1790, wherein a non-Brahmin was sentenced to the gallows for murdering someone of the same caste, but Brahmin offenders were sentenced differently. In a case where the victim was a Brahmin boy, the culprit was tonsured and a headless figure tattooed on his forehead, after which he was expelled from the dominion. In another case, "where two Brahmins strangled a boy, he (the administrator) discovered that by *shastraic* exposition the degree of punishment would vary according to the caste of the victim as well. Since the victim was not a Brahmin, the two culprits would only have their heads shaved and be banished."<sup>12</sup> Brahmins in Benaras were exempt from capital punishment till 1813, after which too, they could not be hanged within the city precincts. With regard to rape, which was considered more an offence against male codes of honour than against the victims' sensibilities, Singha cites Macaulay's draft penal code of 1837, which permitted judicial discretion on the length of the sentence (two to fourteen years). This latitude was defended by the Law Commissioners on grounds of status: "On the one hand... the chaste high caste female contaminated by the forcible embrace of a man of low caste... on the other, the woman without character... easy of access. In the latter case the offender ought to be punished, but surely the injury is infinitely less in this instance than in the former".<sup>13</sup> Millions of working women could be portrayed as "easy of access", and they would invariably belong to the lower castes. However, the link between caste origin and



character was meant to be a concession to 'native sentiment'. Scarcely disguised prejudice about the 'character' of rape victims remained ensconced in editions of the criminal procedure code for decades thereafter.

That caste/class discrimination is alive and well in modern India is clear from a reading of some recent judicial pronouncements. The most notorious of these is the case of Bhanwari Bai, a village-level social worker or *sathin* in Rajasthan, who was employed under the Women's Development Programme for implementing official policy on empowerment. This included the prevention of child marriage and female infanticide, the protection of rape victims, and issues in health, sanitation and education. On September 22, 1992, Bhanwari was gang-raped in the presence of her husband (who was severely beaten) by five upper-caste men incensed by her campaign against child marriage. The dilatory tactics of the police in response to complaints were a personal ordeal, but the 1997 judgement of the Trial Court acquitting the rapists evoked outrage among women's organisations. The judge averred that no Indian rustic would stand by while his wife was being raped, so the complainant must have lied. He added that being upper-caste the alleged offenders could not have touched, much less raped a low-caste woman. Uma Chakravarty has remarked that the judge could convert his upper-caste male bias into truth, because he had the legal authority to do so.<sup>14</sup>

Bernard Cohn has described the powerful attitudinal remnants of these norms in Indian village life and their effects on the functioning of modern law. British legal theory considered defendants and complainants equal before the law, but neither the low nor high-caste disputants in a case would treat this as a fact. Decisions employing the notion of contract would also not fit into norms which continued to operate in daily life. Modern law merely gave the upper castes new sources of wealth and prestige, made them "more aware of the possibilities of manipulation in the courts and what could be done through influence and the use of questionable practices". In a remarkable insight Cohn speaks of "the situation in which law is not used for settling disputes but for furthering them... where the courts are looked upon as a place... in which to gain revenge."<sup>15</sup>

These observations on convention are meant to highlight the rich and extensive

provenance of the currencies of Indian sentiment, and to point to their influence within a new social order. Culture is not a remnant of an otherwise universalising capitalist development. Rather, capital develops in and through a given culture - norms, habits, and preferred social practices, and alters them as it does so. The social relation (self-augmenting value) embodied in capitalist accumulation appears historically as an insistent pattern of alterations in a given nexus. The disturbances it causes over time are what give rise to an awareness of 'tradition's conflict with 'modernity'. Actually, modernity re-constructs tradition. In its concrete form, capitalist society emerges gradually as a conglomerate of social interests such as the colonial state. In such a polity, all social forms become subject to encroachment. In India, a country with extremely diverse human predicaments, colonial commercialisation and juridical codification had a complex and differentiated impact. The stabilisation of the system took place through an adaptation of commercial interests to pre-colonial socio-economic practices including caste and kinship, family labour, the extraction of customary levies etc; and through new patterns of economic power such as sub-infeudated land-ownership and the mediated mass engagement of workers. Most of these were not officially codified, yet colonialism could not have functioned without them.

I shall follow the threads denoting the "perversion from fidelity" into the domain of labour relations - the denominator of the social edifice, and a good starting point for examining the interface between formal and conventional modes of power. There are two social matrices through which I analyse the practice of corruption. The first is the inter-relationship of state, capital and the unions and the melding together of the dynamic interests of politicians, officials, managers and unionists into a distinct style of intervention. Their practices converted social contacts and biases based on status, class and race into formal decisions. Conversely, formal procedures were often suspended by officials entrusted with maintaining the rule of law. Working in tandem with managers, they might either encourage the emergence of or attempt to scuttle this or that union leader; and on occasion enable the unleashing of violence upon worker's meetings. In these practices, the terms of civic relations are formally conserved as in a fetish, even as their meaning and purpose - good governance, impartiality and justice, are destroyed. The second set of issues relates to the structures of engagement and supervision of

contractors' labour. Here I lay stress on the function of under-regulation, which relied upon the stereotyping of labouring identities, the exaction of commissions from workers' wages, and the incorporation of convention, sentiment and coercion into modes of controlling labour. These structures subvert the civic nature of public spaces - such as labour relations - which fall within the purview of legal regulation.

These disparate phenomena had effects related to our theme. The growth of trade unions could have contributed to the development of the public sphere, and incorporated workers more completely into the citizenry. Repeated experiences of the extra-legal manipulation of labour relations however, have tended to undermine workers' confidence in the evolution of a neutral administration and a law-governed polity. This could be one reason why a bloated form of patronage still exists in the Indian labour movement, which is divided along factional lines, with unions owing allegiance to major political parties. And the point I make about structural forms of contractors' labour should feed into an explanation for the disjointed, discrete and underdeveloped nature of public space in India. The point of arrival will be the recognition that the two currencies worked in a symbiotic manner to uphold the colonial economy, and that despite transformations in the polity, this symbiosis continues in independent India. When 'corruption' is viewed in such a context, we might begin to understand it in somewhat broader terms than the degeneration of the individual conscience.

### **The Production behind the Scene**

The Chota Nagpur plateau, the cradle of heavy industrialisation in colonial India, was the home of coal mining, steel manufacture and a host of extractive and metallurgical operations. The town of Jamshedpur (also known as Tatanagar), was established here in 1907, as the site for the Tata Iron and Steel Company (TISCO). This lay in the district of Singhbhum.<sup>16</sup> Jharia, India's major coalfield, was located in the district of Manbhum. The mines began production in 1895 and TISCO in 1911. The area attracted workers from a heterogeneous background. Ethnic factors affected employment patterns and played a role in mobilisation. Jamshedpur had a more settled labour force, with skilled workers drawn from different parts of the country. However its unskilled workers, known as contractors' labour, were from the immediate hinterland, and employed on temporary

arrangements. The mines were worked by a seasonally fluctuating workforce, a majority of whom (upto 90%) were of low-caste and tribal origin, and maintained strong rural links. The situation was complicated by the national movement and the employment of European executives, foremen and engineers.

TISCO's steel production increased from 3000 tons in 1911 to 800,000 tons in 1939.<sup>17</sup> Its contractors' 'coolies' varied in number from 4000 to 8000. In 1938, the management quoted a workforce of 28,674, including supervisory staff.<sup>18</sup> A floating population of unemployed comprised some 7000 persons, and allied establishments employed 14,352 workers in 1938.<sup>19</sup> Jamshedpur's population grew to 57,000 in 1921, 84,000 in 1931 and 200,000 in 1951.<sup>20</sup> Boom conditions generated by the British war effort in the Middle East had led to overstaffing. Reductions began after the war, at a time when the national movement was gaining strength. A spontaneous strike took place in 1920, and after another outburst of resentment, the Jamshedpur Labour Association (JLA) was formed in 1922. This lost the affections of the workforce in the mid-twenties because of its proximity to management. The latter enjoyed the sympathy of a section of the local bureaucracy as well as certain leaders of the Indian National Congress (who had helped set up the JLA). In TISCO's early years the rawness of the workforce, the war boom, and the rise in real wages had conduced to managerial despotism. The American T.W. Tutwiler, General Manager (GM) from 1916 to 1925, had tolerated "no nonsense about modern concepts of democracy within industry. To him, the right to hire and fire workers was a god-given right".<sup>21</sup> This was delegated to "abusive and corrupt" supervisors and foremen, who wielded "too much power in... appointment, promotion, and discharge".<sup>22</sup> A contemporary unionist stated that they practiced bribery in recruitment and dismissals.<sup>23</sup> Most senior executives were Americans and "the common criticism is that the American, from his upbringing and his negro problem is naturally unfitted for dealing with Asiatic races".<sup>24</sup> The fact that many superiors were white *sahibs* or Parsis added a racial element to class antagonisms.<sup>25</sup>

Shop-floor skirmishes took place in 1927 and in mid-March of 1928, a maverick pleader called Maneck Homi was called in by a section of workers to lead what was to become TISCO's longest-ever strike.<sup>26</sup> The strike did not succeed, but Homi emerged as a popular

leader and his leadership became an emblem of the workers' recalcitrance. A bitter contest took place between him and the radical nationalist Subhas Chandra Bose, whose leadership of their labour was sought after by management as a means of offsetting Homi's influence. For nearly two years thereafter, Homi remained a thorn in TISCO's flesh. He then became embroiled in several criminal and civic cases which resulted in convictions and "rigorous imprisonment" for five years, the longest for any labour leader outside the Communist Party. The political background of these developments, the manner in which the prosecutions were instituted, convictions obtained and his jail term extended, demonstrate the importance of the zone of informality as the sphere in which crucial decisions were made. Management also indulged in an unabashed use of intimidation to crush the workers' resistance, facilitated by close contacts with the bureaucracy. In one incident, a meeting addressed by Bose was disrupted by goons assigned to the task by TISCO - this is evident from private and official records. Workers recognised that they were up against a powerful vested interest. They have left a record of their protests for posterity.

The JLA was presided over by Charles Freer Andrews, an Englishman known for his proximity to Mahatma Gandhi and commitment to Indian national aspirations. He was also President of the All India Trade Union Congress (AITUC) for 1928. His efforts to resolve disputes during the sporadic shop-wise strike actions of 1927 were well-meant. Yet he sensed as did management, that a new leadership of radical operatives (including an activist named N.G. Mukherjee) was pushing for a confrontation, and might take over union leadership. Homi and Mukherjee had begun demanding a newly elected executive from early April.<sup>27</sup> It appears that Andrews arrived at a secret understanding with the General Manager, C.A. Alexander, to pre-empt the emergence of a militant leadership. This is indicated in the correspondence between Alexander and Managing Director Peterson:

Andrews is not sure that we are not in for it... He sails for Europe with Tagore at the end of this month to be gone for a year. *Have arranged with him that the LA elections are postponed indefinitely*, (as?) I fear Mr Mukerji (sic) and Co. would get into power (Emphasis added) <sup>28</sup> .

There is no other direct evidence that the President of the AITUC sabotaged the organisational elections of one of its prominent constituents. However, the formally constituted union Executive did not hold an election, and declared that only enrolled and paid-up operatives were eligible for it in any case. This was a determined effort to keep Homi out of the contest, and a departure from its stated position on the necessity for 'outsiders' in leadership<sup>29</sup> When a Provisional Election Committee of the strikers organised an election in June, the Executive declared the process unlawful.<sup>30</sup> The lack of the opportunity to express grievances and the perception that management wanted to dictate the workers' choice of a leader was a root cause of the confrontation which followed.

Alarmed at the increasing solidarity the management made a declaration of intent in early April 1928. Alexander notified employees that "there will be no discharges or reduction in wages", and that reductions "would be effected by not filling vacancies", or by transfers. The orders promised to increase wages "as soon as possible".<sup>31</sup> Soon after this, the head office wired him about the advantages of a strike:

*Would it pay us in the long run to have (a) prolonged strike if you were able, after it, to re-employ only such men as you actually require on a complete reorganisation of labour... If so, what money in excess of receipts would we have to find monthly during strike and what increase in profits might we expect after it.*<sup>32</sup> (Emphasis added).

On April 23, the seniormost police officer of the province stated in a confidential memo, I gather that the Directors are determined to give no further concessions and that they are considering whether the reorganisation now going on which is likely to take several years could not be more easily effected if a general strike occurs... It is fair to infer that the *Directors and management would rather welcome a strike....*<sup>33</sup> (Emphasis added).

The official also reported Alexander's confidence that elections for a new Executive of the JLA would not take place at an early date. At around the same time, the Deputy Commissioner (DC) reported Alexander as saying that he was contemplating pre-emptive action to force a strike.<sup>34</sup> Clearly, management was in communication with the

administration as well as the union leadership to ensure the best possible outcome of a crisis brought on by its own practices. Departmental strikes took place, followed by a partial lock out and general strike. This lasted till September. Its prolongation was due mainly to the refusal of management to negotiate with Homi. The main question thus, was the liberty of the workers to choose their representatives. The course of the movement saw the mobilisation of plebeian sentiment too, but in a manner which demonstrated an alternative relationship between sentiment and abstract "working class" identity. Religious and regional identities were evoked by activists, but ethnicity here was a means of constructing solidarity - Sylhettis, Sikhs, Oriyas and Telugus were exhorted by name to support the struggle of the workers as a class.

At this stage Subhas Bose was brought in and installed the President of the JLA by a political fiat on the part of its Executive - the body which had baulked at renewing its own mandate. This took place through a maneuver involving Bose, the directors and capitalists such as G.D. Birla who were close to the Congress Party and wished to bail the Tatas out of a sticky situation. A Calcutta-based relative of a director negotiated with Bose, and reported to Bombay:

It is necessary to give in, say, to a man like Subash (sic) so that he might strengthen his influence with labour... while Homi's position might be correspondingly weakened... he is a nationalist first and foremost and recognises that Tata Steel is a national industry... and realises that if it suffers heavily, American capital, which is very anxious to get control over it will step in... Subash is denounced in local communist circles... because of his refusal to accept communism... you will find him a very reasonable person to deal with...<sup>35</sup>

Bose arrived at a settlement which allowed management to carry out the reductions they had wanted, and himself to try to fulfil his standing (and ultimately futile) aspiration to lead Jamshedpur's unions. Homi formed a new union in 1929, but soon afterwards found himself in jail. A series of informal arrangements by managers, officials and politicians had succeeded in defusing a volatile situation. The mechanisms of control were fashioned out of social and political contacts invisible to the workers, and put in motion via intrigues, intimidation and blandishments. The events of 1928 and 1929 began a long-drawn-out struggle between workers and the self-styled controllers of labour. I shall

describe some of its episodes below.

### **Muscles, Justice and Respectability**

In May 1930, the civil disobedience movement had aroused the fears of the officials like never before. As the sweepers struck work, they worried that Homi would sabotage the electricity and water supply. Police began to make arrangements in tandem with management with the aim of intimidating activists: "Green (the local Assistant Superintendant of Police - DS) is keen on breaking up any picketing (sic) and *will let me know if he requires counter picketing*" (my emphasis).<sup>36</sup> We need have no doubt about the type of men who were employed for this purpose. Homi had first been arrested in March on a charge of criminal intimidation, and was thereafter implicated in several cases. The first trial proceeded with alacrity, and on June 23 he was sentenced to six months rigorous imprisonment. The judgement was a narrative of the tension in TISCO.<sup>37</sup> Convinced that a meeting of his in January had been disrupted by management acting through superintendent P.H. Kutar and foreman S.B. Patel, Homi had complained to the GM on February 6 charging the foreman with persecuting JLF members and inducing resignations. Amar Singh, a JLF Vice-President and Kutar's subordinate, had resigned and given evidence against Homi. On February 19 Homi had allegedly visited Patel's brother N.B. Patel carrying a revolver in his pocket and announced his intention to 'hammer' Kutar and foreman S.B. Patel. Significantly, this threat was not immediately reported to the police, and was communicated to the intended victim only the following morning (the 20th). The latter too, did not make a complaint. That evening an assault on foreman S.B. Patel did take place. A complaint was formally lodged with the police by Kutar on the 21st and in court on the 22nd. Homi contended that he had neither made the visit nor uttered the threat, that the case was concocted, and that the failure of the complainants to complain in time was ground enough for dismissal.

The magistrate noted that "it is true that there is no evidence to connect the accused with the assault". His conviction of Homi hinged around the deposition of John Keenan, General Manager, who claimed that he had been told of the threat on the 20th morning, two subordinate witnesses (TISCO employees) who claimed to have seen the accused enter N.B. Patel's house; and that of the Patels. Homi did not produce any witnesses in



his defence. The magistrate did not hide his social predilections. The Patels "*all seem to me to be respectable persons. It is inconceivable that they would commit perjury*" (Emphasis mine). The fact that the TISCO employees were subordinates of the complainants was "not a sufficient reason why they should sacrifice their consciences". Keenan's evidence was "above suspicion", because, "*it is inconceivable that a man of the position of the General Manager of Tata Iron and Steel Company would join a conspiracy to concoct a false case*". (Emphasis mine).<sup>38</sup> Even though we will never know the unblemished truth of this matter, the historical record shows that such an eventuality was quite conceivable. What is noteworthy is the bland assumption on the part of the judge that the veracity of witnesses was contingent upon social status. He must also have sensed the urgent desire of the officials and management to see Homi in jail.

M.P. Palamkote, who worked in supervisory positions in TISCO for 47 years, had another version of the affair. Kutar was highly disliked, and along with land officer S.C. Gupta was a patroniser of *goondas* such as Amar Singh, who was his 'right hand man'. In those tension-filled days Homi carried a revolver. Patel concocted a false case against Homi after being beaten up, and Kutar lodged an intimidation case. Witnesses were procured, and Homi wrongfully convicted. Palamkote added that TISCO's Liaison Officer G. Mahanty procured the feudatory Raja of Seraikela's co-operation in pursuing another case against the JLF leader (see below).<sup>39</sup> In his memoir, Keenan acknowledged Homi's popularity and the obdurate attitude the management had adopted towards him. However, his account of Homi's incarceration refers only to the civil case of defalcation. He makes no mention whatever of Homi's first (criminal) conviction which was secured on the basis of his own (Keenan's) self-evident respectability and truthfulness.<sup>40</sup>

For some months in 1930, TISCO deputed their solicitor Manecksha Poachkhanawalla to co-ordinate an anti-Homi campaign. One of his reports confirmed Homi's popularity. It also showed that management was directly able to influence intra-union politics:

your own workmen... are your worst enemies and they can't all be immediately turned out... even after Homi is removed from the path of mischief you will have to take care of these enemy workers and other upstarts and vultures... Soon after I returned from Bombay... arrangements were being made for bringing about an

amalgamation between the Association and Federation, which I succeeded in turning down with some difficulty... <sup>41</sup>

Homi had obtained bail in the intimidation case, but not in the others. A petition by 7000 workers asking to be made co-defendants in the civil suit was rejected.<sup>42</sup> Dismayed at Homi's obtaining leave to appeal, Poachkhanawalla tried to speed things up. In mid-July, he wrote to a director:

In this appeal, I tried to induce the Deputy Commissioner to instruct the Government Pleader. You know the Deputy Commissioner is a new man now... and he seems to have *peculiar notions about independence, impartiality, etc...* and as the man is a bit stubborn, I could not carry the matter further..."<sup>43</sup>  
(Emphasis added).

Worker activists were aware of the collaboration between TISCO and the administration. The speeches made by one of them, Patnaik, include denunciations of the *be-imaan* and *nalaik* (dishonest and inept) Sub-Divisional Officer, and exhortations to workers to hold meetings. On July 17 a JLF gathering was assaulted by armed men and five persons were injured. Certain known musclemen of the management were named as assailants.<sup>44</sup> Patnaik's allegations against TISCO are borne out in the reports to Head Office by the troubleshooting solicitor Poachkhanawalla who confessed to "grave anxiety" on account of the public protests. By his own barely disguised admission, he was doing his best to disrupt these by use of force:

In the beginning *our party* kept away... but it was found that if these meetings were allowed to go on unchallenged Homi would be encouraged to carrying them further and abusing the Company... It was therefore considered necessary that the opponents of Homi should also attend these meetings... with the result that there was loud speaking... and some confusion... About the beginning of this month there was a meeting... which both parties attended and there was also a little *golmal* and *marpit*\*... Homi's party tried to hold a meeting for the last four or five days but they did not succeed in doing so as members of the other party were also present... Very often intimation that these meetings are likely to be held is received the same day... and then it is found very inconvenient and difficult to

arrange for all parties to attend... (Emphasis added).<sup>45</sup>

Towards the end of July 1930, Homi was charged in yet another case, this time in the neighbouring princely state of Seraikela. The feudatory Raja was a close friend of TISCO executives, and was alarmed that certain disgruntled peasants had approached Homi to file complaints regarding forest laws. In the summer of 1930, arrests of peasant activists took place with British assistance. Soon afterwards Homi was arrested on a charge of cheating (section 420 IPC) under orders of the British representative in the state. Meanwhile another case (of defalcation of union funds) was instituted and by September he was thoroughly embroiled. He was to remain in custody until 1935 - the last phase of his incarceration being prolonged by an outright conspiracy (see below).

In 1931, there took place massive redundancies in the Jamshedpur workforce, coupled with reductions in wages. One communist leader reported seeing malnourished workers weeping in desperation.<sup>46</sup> The national movement was in full cry and the state anxious to win friends and get rid of 'Bolshevik elements' in industrial areas. TISCO management, ever opportunistic and keen to ingratiate itself with the bureaucracy, used the opportunity to eliminate the remaining activists. Its methods included blatant intimidation. Meanwhile after the removal of Homi from the scene, Bose tried to re-emerge as leader of Jamshedpur's labour by reviving the JLA. He planned a visit in September to rustle up support. On the 16th Keenan reported to his superiors in Bombay:

The CID (Criminal Investigation Department - DS) inform me that the illiterate men... consider the Bengali Babu Log (clerical staff - DS) who run the Labour Association are trying to take the opportunity of coming into the limelight... and we are spreading counter-propaganda to the effect that (they) are trying to capture the illiterate men because their leader Maneck Homi is in jail... I am meeting a delegation of... Sikhs this afternoon who wish to give me the assurance that they will do everything to make the Company a success... we can take it for granted that 3000 to 4000 of our employees will have no trouble in defeating our friend Bose...

Three days later, he revealed his plans.

I will meet him tomorrow morning in my office... and I want to send him out of my office still a personal friend... but with a feeling that he has accomplished nothing, for I wish him to hold the meeting tomorrow and *personally I think it will be the last meeting that he will ever attempt to hold in Jamshedpur* for I believe that the illiterate workmen are so fed up with the Bengali Babu Log that their attitude at the meeting will not tend to increase the prestige of Mr Bose".<sup>48</sup>

Keenan's involvement in the events of that day is manifest in the nature of his premonitions. At 5 pm. about 5000 to 6000 persons assembled for the meeting. Before it could begin, a fracas broke out with sticks and stones being freely used. The 37 injured persons included four constables. Official reports glossed over the cause of the riot,<sup>49</sup> but the memoir of a unionist sympathetic to Bose describes the occasion more explicitly:

At 2 pm. hooligans numbering about 300 arrived... They were drunk... (and) shouted that they would not allow the Association to hold a meeting. Everyone in Jamshedpur knew that the big officials of the Steel Company were connected with this hooliganism. One of (them) admitted... to Subhas Babu that it was the Steel Company's doing... workers started retaliating (and) the fight went on for an hour. This was perhaps the first time that the Company's hirelings were injured in their attempt to break labour meetings. This gang had driven out Homi... they had made the Federation powerless, humiliated Mangal Singh... but the table was now turned...<sup>50</sup>

Confirming management's involvement in the violence, the Chairman wrote to Keenan:

I also see... that SC Bose has been to Jamshedpur and has met with the reception you anticipated... I am sorry for the little disturbance that was occasioned by his visit and that so many people had their heads broken... Bose was perhaps forced to visit Jamshedpur against his will...<sup>51</sup>

The next day, the Deputy Commissioner noted:

I have just now heard from Davies (the Sub-Divisional Officer - DS). He is of opinion that *the breakup of the meeting probably was arranged by or with the consent of the Company*. This has of course been the policy of S C Gupta, Tata's Land Officer and others for a long time (Emphasis added).<sup>52</sup>

No prosecutions were launched after the above episode. For TISCO's managers therefore, informal arrangements included the use of force without fear of legal repercussions. The workers apprehended the murky goings-on which determined their fate, but their knowledge was intuitive, immediate and necessarily partial. With regard to their predicament after the events just described, we have a record of their feelings - an expression of anger and helplessness at the corruption of the elite. In 1932 Jamshedpur's workers forwarded a memorial to the Bihar Governor, pleading for Homi's release. It was in two parts, carrying thousands of thumbprints and the signatures of JLF office-bearers. The language suggested that it had been drafted by worker activists:

MAY IT PLEASE YOUR EXCELLENCY. We the following workers of Jamshedpur pray to your excellency to give us the protection of British government for we are greatly oppressed by the Tata Company and its officers and we are poor and helpless and have no friends. Our leader Mr Manick Homi pleader of Jamshedpur and president of our Labour Federation has been snatched away from us for the last over two years and a half and kept in jail by a number of cases concocted and framed by this coy and its wicked officers, against whose oppression our leader used to protect us by all lawful means. As a pleader, as a respectable man and as praised by your Government also, Mr Homi always kept peace among thousands of men and he never committed any offence but helped the authorities....This time to our ill luck Tata Company local Bengalis, Seraikella State all combined against him and make false cases against him. He is innocent. he has not received justice. All the witnesses are hired men of the Coy who spend lakhs and lakhs of rupees to ruin him and break up our labour Federation. Tata Coy head office sent special lawyer from Bombay to make these false cases against Mr Homi. The workmen were threatened, suspended, dismissed, bribed to give evidence against Mr Homi. If witness are all tutored by this lawyer, what chance any man in the world in court. Coy use goondas and pay them lavishly and break up our labour meetings and then turn round and say Homi use goondas which is false. If Homi has goondas then all Jamshedpur population are goondas, for we all follow him and respect him as our leader.

Sundaram, Kuppa Raw, Tara Singh and others all creatures of Tata Company who pay them for speaking against Homi and we want no case against Homi Sahib, we want no account from him (on the contrary, Sundaram, Kuppa Rao gave no account before Auditor) we are ready to give him all that we earn for we full believe in him. All men, women and children pray for him, without him we are very sad and we are oppressed by this Tata Company's officers. Where shall we go if your Excellency does not give us protection? If you appoint a Committee to inquire into truth and release Mr. Homi you will get full evidence what Tata Com. doing, for without him people are afraid and quietly bear sufferings and injustice.... We pray you give him justice and give us justice Mr Homi has not taken any money for himself. He has always helped us and he cannot steal any money, for all the money is his the whole Federation is his all the federation money is his and we are all Jamshedpur his. A great injustice is done to him and we pray you as our newcomer Governor Sahib to release him. Also send a good impartial officer, not Bengali to secretly come to Jamshedpur and make private inquiries about real situation. Mr Homi is not mischief maker, but only our mouthpiece we speak through him, what now since he is taken away, remains in our heart, one day this will come out also.... Praying for your long life and prosperity and for justice to us. We are, Your most Humble and helpless servants. The Workers of Jamshedpur. (signed by the office-bearers of the JLF, including Mangal Singh, PP Patnaik, Ramnarayan, Mukhlal, and Francis).<sup>53</sup>

This expression of plebeian sentiment displays a different attitude towards law, neutrality, knowledge and power. The workers' faith in Homi is manifested in a disinterest towards accounts and legal nitpicking - he is our mouthpiece, all the money is his anyway, so how could he steal our money? Their intuitive distrust of the management and the ways of the Law is buttressed by their experience of the cunning solicitor Poachkhanawalla: "If witness are all tutored by this lawyer, what chance any man in the world in court." The worker-signatories were tortured by the sharp contrast between truth as a technically derived fact in the world of power, and the truth as they knew it in their hearts. Their hope that the twain might meet in the wisdom of the Governor was to remain unfulfilled.

## **Of Golf Courses and Prison Sentences**

The last bit of the story that I wish to relate is the manner in which Homi, who might have been released in 1934, was kept in jail for another nine months solely for the convenience of the TISCO management. In mid-1934, he had been transferred to jail in Seraikela to serve a year's sentence. In October the state's Advocate General told Keenan that the Raja might release Homi if he undertook to abstain from agitational activity in the state. Keenan was dead against this, and reported his negotiation with the ruler thus:

I was able to persuade them to keep Homi in jail until March 8th, 1935 on giving them an undertaking that we would ensure that in case he, or any other upstarter (sic)... tried to make the peasants withhold their rent... we would ask the (British) Government to intercede... if he is released now he might be able to bring the labour around to think that the months bonus was given due to the fact that the Company knew that he was coming out immediately..<sup>54</sup>

On October 22 Keenan lunched with the Bihar Governor and felt reassured that government did not favour an early release. TISCO's Liaison Officer was deputed to negotiate with Seraikela. On October 28 he conveyed to the Raja that government officials, "were against Homi's early release... and that the Steel Company will always stand for the State in case Homi starts any trouble... After a few minutes whisper (sic) among themselves His Highness announced... that he rejected Maneck Homi's prayer..."<sup>55</sup> In return, the Raja requested that Homi be restrained from holding meetings on his golf course or race course, from instigating Seraikela's peasants to withhold rent; that any workers who were his subjects and who caused him trouble be discharged; and that Seraikela tribals be given jobs upon his recommendation.<sup>56</sup> These conditions were personally approved by J.R.D. Tata on November 1 (See appendix).<sup>57</sup> Following the rejection of his appeals for release, Homi went on a series of hunger strikes. The third strike attracted Keenan's attention. In December he wired Head Office:

Maneck Homi gone on hunger strike. Authorities ask what redress taken such cases British India... Can extra imprisonment be awarded as punishment. Wire urgently.<sup>58</sup>

One of TISCO's Directors, Sir H.P. Mody conferred with the Bombay Police Commissioner, who recounted a case of a prisoner's term being extended for hunger-

striking. Mody did not want the Company to suggest "such an extreme step".<sup>59</sup> However, on December 20 the Liaison Officer reported that the Sub-Divisional Magistrate had advised prosecution, after which the Seraikela Jail Superintendent made a formal complaint.<sup>60</sup> The case was swiftly prosecuted. Homi's fears of a conspiracy to keep him in jail proved well founded, for on January 30, 1935 Keenan wired Bombay: "Maneck Homi sentenced 9 months rigorous imprisonment section 52 Prison Act inform Mody".<sup>61</sup>

This abbreviated story of Tatanagar labour in the 1930's should highlight certain practices used to control the working-class movement. One, that the management of the Indian concern most reputed for its liberality was deeply implicated in the use of violence to crush the spirit of resistance among its workmen. If Homi was indeed guilty of criminal intimidation, the managers of TISCO were liable under similar charges, and including criminal conspiracy. Two, that Police and Civil Service officials connived at these practices, took sides behind the scenes in the disputes and were guilty of dereliction of duty, if not the direct infringement of law. Three, that they and the judiciary were prejudiced in the matter of the criminal case against Homi. The judge gave vent to gratuitous presumptions about the veracity of Keenan's evidence. These practices persisted well into the late 1930's, when police began to maintain records of *goondas* and *dalals* (goons and agents-provocateur) kept by top managements.<sup>62</sup> One of the conservative unionists who helped them do this was V.V. Giri, who was to rise to the position of President of India in the 1970s'. (His memoir made no mention of his considerable efforts at union activity in Jamshedpur).<sup>63</sup> I wish to stress that these procedures are still in use for purposes of controlling labour movements. They form part of the culture of corruption, though they remain outside its common-sensical discourse.

### **Under-regulation and Mediated employment**

The vast area of under-regulated employment generally falls within mediated, or contractor's labour, and is still covered by the term "informal sector". Its outstanding feature has been the deployment of kinship and village ties for recruitment and supervision, and customary subtractions from remuneration. Much of my material refers to coal extraction in Jharia, the pre-eminent coalfield of colonial India, and the largest in Bihar. In the province as a whole, 103,315 persons were employed in coal mining in 1921;



and 108,842 in 1927.<sup>64</sup> During the first decades, about half the extraction took place through the *raising contractor* system, under which the entire process from recruitment of labour to the loading of coal onto rail wagons, was leased to contractors. The contract was negotiated with the Managing Agents of the mines, who provided only the actual mine and the machinery. The raising contractors recruited and imported labour, paying train fares plus *dadans* (advances) which bound workers to them until these were recovered.<sup>65</sup> Their profits came from the difference between the total sum they had paid the Agents and their actual expenses, which they kept at reduced levels by means of very low remuneration offered to their labour force. The raising contractors were often landed gentry, who would use their privileges and connections in the hinterland of the mines to obtain contracts and for recruitment purposes. An English visitor to the mining settlements commented:

The labour question is one of the most difficult things that the mine manager has to deal with. The aim of owners of coal mines in Bengal, when dealing with the subject of labor supply, is to obtain the kind of proprietorship of villages which gives them in some measure command of the village labor.<sup>66</sup>

There also existed *nokrani* or service tenancies leased to miners in some older collieries, which had acquired non-coal-bearing lands. This phenomenon was more marked in the Raniganj and Giridih coalfields adjacent to Jharia. For example, the total landholdings of the British-owned Bengal Coal Company had risen to 130,000 acres by 1920. The East Indian Railway collieries in Giridih leased lands at nominal rents to miners who were liable along with their families, to work for 230 days per year on pain of eviction. Tenancies were rotated to prevent the development of occupancy claims.<sup>67</sup> The Royal Commission on Labour (RCL) reported in 1931 that recruitment contracts were still being given to persons who had interests in land, thus disguising the system whilst retaining its essentials.<sup>68</sup> That this practice was widespread is indicated in studies of other forms of labour. Ian Kerr's history of railway construction in the late nineteenth century quotes an engineer's expectation that "zemindars and headmen would come forward as Contractors, in which case there would be no shortage of labour, as they would be interested in procuring it".<sup>69</sup>

The actual process of recruitment was undertaken by *gang-sardars* (gang leaders), who

were linked to the contractors or companies through a network which included village headmen, or *pradhans*. The latter might be paid commissions for influencing fellow villagers to work at a colliery and attend it regularly. This was the most flexible means of controlling a proletariat emerging from a rural milieu. The fact that miners preferred *sarkari* (official, ie. direct) recruitment and forms of management which put them in the direct employ of the company rather than of contracted mediators, shows that they were aware of the disadvantages accruing from the operations of middlemen and from their own informal status.<sup>70</sup> These included subtractions such as bribes paid to supervisory clerks to get good workfaces, or tubs on time. Mediated employment still dominates the 'informal' sector. It continues to be the source of untaxed and illegal income, the arena of unregulated labour and the scourge of a seasonally engaged workforce.

Wage deductions included the loss of a tub-rate if it contained stones, compulsory donations for *gowshalas* (cow shelters) in mines owned by Kutchies, (a Gujarati commercial caste), the self-purchase of explosives, and fines for sleeping or coming late.<sup>71</sup> The loss due to deductions and bribery was between 10% to 20% of the weekly wage.<sup>72</sup> Graft was ubiquitous, and was akin to the customary levies exacted from peasants by landholders and their underlings. It started with the *dasturi* or commissions paid to *munshis* (clerks), gang *sardars*, overmen and contractors by the miners. Company owners paid a gratuity known as *salami* to the *zamindars* from whom they obtained mining leases, raising contractors bribed company officials, *gang-sardars* paid to get at suitable seams which would yield a better commission on the tubs loaded by their workmen. All exactions were forms of the *salami*, a gesture which combined obeisance with extortion. It was a payment which gave the recipient an income not deriving from his position but accruing to him conventionally. The source of these payments was the labour which went into the tub of coal, but *salami* signified the social nexus within which cheap energy was made available for the colonial system. Miners evolved strategies of resistance such as leaving empty spaces at the bottom of the tubs, and cheating on *khorakis* (food allowances) by taking it from more than one colliery and avoiding work.<sup>73</sup>

Subtraction from earnings due to the position of intermediaries was not peculiar to mining. The RCL noted that the absence of direct contact between employer and

employee was a "marked feature" in factories. The miners' gang-*sardar* had his factory counterpart in the jobber, (the *mukkadam* or *mistry*) who performed functions ranging from recruitment and shop-floor supervision to the venting of workers' grievances. Fees were exacted upon engagement or re-engagement, and regular monthly payments in cash or kind (such as drink) were also normal. Jobbers subsidised head-jobbers who in turn paid levies to the regular supervisors.<sup>74</sup> The RCL believed that bribery could be eliminated by the introduction of labour officers in factories - experience has shown that such persons merely fitted into the established pattern of extortion.

In 1916, at the height of a boom in demand for coal, a debate took place on the development of deep mines in the eastern coalfields. A representative of the mine managers responded with dismay to a suggestion that working hours needed regulation. Indian miners had their idiosyncrasies, he said, which included staying underground for 24 hours sometimes, because their homes were a long trek from the pits. The proposal to legislate fixed hours of work for miners seemed to him "to savour of slave-driving", and was "certainly reactionary". Such regulation would only have "the disastrous consequence that there would be no further increase in the output of coal"; there would be no means of enforcing it apart from handing over "all the pit banks (to the) charge of the police".<sup>75</sup> Here the concern for the freedom of Indian miners from regulation reflected managerial satisfaction with the kind of recruitment I have described. Where there was reason for dissatisfaction, as in the tea gardens of Assam, employers took the initiative for implementing a penal contract system, which was put in place and refashioned from 1865 to 1882. Labour shortages on account of a high rate of desertions and mortality motivated them to agitate for stringent provisions on breach of contract, including the extension of the period of indenture and the planters' rights of private arrest and imprisonment of workers without warrants. These demands were accepted almost in their entirety in the provisions of the Labour Districts Emigration Act I of 1882 under the liberal dispensation of Viceroy Lord Ripon.<sup>76</sup>

Colonial officialdom could think of innovative interventions in the lives of labourers when necessary. Observe the title of an official file: *Question of purchasing rice in the neighbourhood of the coalfields on behalf of the Supply and Transport Dept. so as to*

*keep up the price of the article and thus induce labour to remain in the coalfields.*<sup>77</sup> This unsubtle proposal was discussed by officials bothered by coal shortages, and is a nice example of deranged logic:

The cause of the shortage is lack of labour. This labour is really agricultural and does not work on the mines for choice. Last year's crop was a bumper and the crop now on the ground promises to be equally good. In consequence, prices of rice are abnormally low... The low class of aboriginal labour... will not earn more than its immediate needs require. A labourer wants enough to eat and drink, and so long as he can earn enough for that, he is content... Agricultural labour at present prices yields them a sufficiency, and therefore they will not return. Various remedial measures are being considered; but one of the most effective would be a rise in the price of rice... brought about by Government purchases on a large scale. If the requirements of the Army... could be met by purchases in the neighbourhood of the coalfields... it would probably have the effect of putting up prices to a figure which, while still low from the purchaser's point of view, would be high enough to make a very substantial difference in the supply of labour.<sup>78</sup>

I will cite one example to show that the attitude of calibrated indifference towards unregulated labour has persisted in independent India. Breman's seminal work on migrant workers examines the report of a committee set up by the Gujarat provincial government in 1964 to make recommendations on minimum wages for agricultural workers. One of its stated motives was to counter "the forces of extremism". After travelling 12,000 kilometers and discovering that 80 percent of the budgets of agricultural labourers was spent on food, the committee concluded that determining a minimum cost of living was impossible due to the variations in quality and quantity of essential goods, in agrarian seasons, and in the paying capacity of the farmers. A slight rise in wages was recommended, with gender differentials intact. A rapid and drastic rise in the price of labour, it felt, would lead to anti-social behaviour among rural employers, and undermine the incentive for agrarian workers to leave agriculture.<sup>79</sup>

### **The Deployment of Convention**

The typecasting of Indians for specific employments began very early. Bayly points out

that it was in the army that the first surveys of the habits and physique of Indians were carried out after 1830, including ethnographic classifications. He cites an English officers' memorandum during the Nepal war (1814-16), in which it was observed "that the Pathans were best in attack, Mewatis in retreat, Jats as sharpshooters, and the standard Bengal infantry for slow unspectacular advances".<sup>80</sup> As labouring activity became as important as military conquest, this kind of categorisation extended to the mines and plantations as well. The stereotypes employed by mining technocrats were meant to inform managers' decisions about employment. Some of their observations were published in the reports of the Chief Inspector of Mines in India, and in the *Transactions of the Mining and Geological Institute*, a technical journal whose expertise often extended to the sociology of labour. An article written in 1913 begins with the assertion that "there are probably no other coalfields in the world where the habits, peculiarities and superstitions of the labour force have more to be studied than in ours", and uses terms such as 'semi-savage' and 'low-class Hindu gipsy tribe'. Zoological language is employed: "The Koras are a species of the Santhal or Kol genus". And detailed information on native character and sentiment is provided as advice to mine managers. Thus, up-country *Lodhs* were "not so stupid as the Bengal working races, and great care should be taken to see that they receive their just dues". *Beldar* women were "great carriers being accustomed to this work from infancy". *Santhals*, *Kols*, *Koras* and *Dhangars* were the "most superstitious races in the coalfields", etc. It explains the *Santhals'* aversion to living in the 'coolie lines' or *dhowras*, with their mortar flooring, by way of an anecdote in which the miners interpreted the deaths of two of their mates as the work of devils residing under the floors of their quarters. These were dug up and exorcisms performed on the orders of the manager. After praising the manager's pragmatism for falling in "with the superstition of the men" to prevent the gang from migrating, the author made an altruistic judgement about the encroachment of civilisation:

It is chiefly on account of this and other superstitions that the above races do not prefer to live in barrack-like houses with pucca floors, though as time goes on and the younger generation gets more civilised, the present objection will probably pass away<sup>81</sup>

The adjustment to sentiment could extend to the architecture of accommodation. The author of a housing plan designed a scheme in 1918 which kept "the different castes separate from one another", and in accord with the observation that ""Santhals and Koras (have) an aversion to living in a line of attached huts", his diagram included discrete dwellings in the 'Santhal Dhowrah', in contrast to the unbroken line of barracks for the *Bauries*, *Kahars* and *Gopes*.<sup>82</sup>

Typecasting could be reversed, depending on the location and kind of labour. Thus, if colliery managers considered Adivasis unreliable, even though Santhals were valued as good coal cutters, their counterparts in the Assam tea gardens found 'aboriginals' to be diligent and 'up-country' workers slack and prone to desert. It is apparent that workers exercised preferences too. Those from the larger tribal groups such as the *Oraon*, *Mundas* and *Hos* preferred the tea gardens to the collieries, *Santhals* being the only prominent tribal group found in both places. Mohapatra has suggested examining the adaptability of the workforce to differing work processes.<sup>83</sup> However, the complex reasons why communities made (or were obliged to make) certain employment-related decisions was often reduced by officials and managers to a natural inclination deriving from a singular caste occupation. The fluidity and multiplicity in conventional occupations was something they failed to (or did not want to) understand. This is incisively argued by Vijay Prashad in an article on the *Chuhras*. He believes that "colonial sociology reduced menial castes to a singular 'traditional' occupation". This 'untouchable' caste had a host of multiple occupations in agriculture, including reaping, winnowing and grass-weaving. They also worked as midwives, potters, leather workers, messengers, musicians and magicians. From all these ones was chosen, in a manner which Prashad describes as endemic to colonial ethnologies and census enumerations. *Chuhras* were cast for the role of municipality sweepers, as this was "their traditional occupation". In a violent recasting of earlier forms of labour, "the colonial regime thereby produced Indian tradition"<sup>84</sup>

The solicitude regarding traditional practices and occupations had a function over and above the comfort of a discretely drawn and simplistic codification. The colonial economy benefited from a certain demography of employment. Sub-contracted labour

recruitment and management based on kinship ties, caste and family labour were its *modus operandi* and obviated the need for close supervision, besides re-inforcing local economic power structures. Such practices were especially useful in relatively under-mechanised occupations, and the work which in nineteenth-century Britain was performed by the Irish navy. The scheduling of caste-roles primarily in terms of singular, discrete occupations was useful to those who managed informal labour from a distance.<sup>85</sup> While apparently attentive to the 'idiosyncrasies' of Indian labourers, they derecognised the relative fluidity of caste occupations by giving it a fixity according to their own convenience. Simultaneously they denied the 'menial' castes the opportunities of breaking the caste/class barrier. So, despite the occasional genuflection to the cause of 'civilisation' it was preferable that work continued to be performed within the broad parameters of assumed conventional identities, now re-inforced by the jobs being assigned to the low castes in the colonial system. This is why our manager in 1894 endorsed the *hereditary* immobility of his workforce:

A child of 8 years is fit to work... little girls and little boys should go into the mines early and become accustomed to carrying coals... it is questionable whether children should be educated... they would not, afterwards work as coal-cutters, but try to get other work... those who can read and write will never cut coal; on the other hand, they take a most important attitude, and demand respect from everybody...<sup>86</sup>

What is the state of affairs today? A century after the English coal manager cited above discovered the necessity for low-caste children to get used to the pits, his Indian descendants still keep aloft the flag of caste-based employment. At a conference of the Mine Labour Protection Campaign held Jaipur in 1994, it was revealed that over 1.8 million persons work the mines and quarries in Rajasthan for obtaining 65 minerals including lead, tungsten, phosphorite, marble, sandstone and granite. Fifteen percent of the workers are children, 22,000 of whom are between the ages of ten and twelve, and they earn Rs 10-12 per day (about 30 cents at the then prevailing exchange rates). Thirty-seven percent are women, earning Rs 18-22 per day. Wage discrimination is based not only on gender, but also on caste. Between 80 to 90 percent of the workforce is low-caste or tribal, and official records underestimate the size of the workforce by two-thirds. Most of these persons have no official existence, since it suits the power structure to avoid

regulating the extraction process. A vast amount of revenue is thus denied the state due to its own studied negligence. Over 95% of the two thousand-odd units function in a primitive way without modern safety methods. In six months from January to June 1994, 130 workers died in accidents, and 175 suffered injuries. None of them were compensated by employer or the State, and only ten cases were registered by the police.<sup>87</sup> Since 1994 the provincial government has further 'liberalised' leasing rules in terms of size, period and encroachments on common grazing lands.<sup>88</sup> There are no regular working hours, attendance registers, minimum wages, overtime payments, safety or leave rules, maternity or pension benefits, insurance, or health schemes.

Using research data gathered over thirty years, Breman has analysed the highly mediated patterns by which informal workers are recruited and managed in South Gujarat. A stratum of petty capitalists runs a system of sub-contracted supervision subsidised by their workers through illegal deductions in wages. Leasing out control and recruitment to jobbers, these capitalists are themselves tied to traders and larger capitalists. These relationships severely restrict the bargaining power of labour, while providing capital with "maximal freedom for manoeuvre".<sup>89</sup> The organisation of work in mining reveals the incidence of what could be named a sub-infeudated system of labour management, similar to the phenomena Breman describes, and which prevail in sundry informal occupations all over the country. First referred to as 'unorganised' labour by the National Commission on Labour (1969), they included casual and construction labour, handloom and power workers, *bidi* workers, tannery workers, "sweepers and scavengers", and contract labour in docks, mines, quarries, rice mills, etc. Their failure to organise was attributed by the Commission to casual and scattered employment, the small size of the establishments they worked in, ignorance and illiteracy and the superior strength of the employers, acting singly or in combination.<sup>90</sup> The business climate in the informal sector in Surat, for example, abounds in practices such as the under-reporting of production, theft of electricity, non-payment of exise duties, smuggling as a means of evading octroi and blatant disregard of labour laws. Gangsters are usually called in to discipline workers demanding legal rights. A huge proportion (estimated to be) well over half the financial transactions in Surat take place in 'black' money. "Rejection of public interference in what they consider to be their private domain is an article of faith to



informal sector employers... they also insist that dealing with labour is nobody's concern but their own". Authentic account-books, called 'Number-2 ledgers', are private. "The 'white' bookkeeping that is shown to official busybodies is a facade, kept with no other intention than to pretend a semblance of legality."<sup>91</sup> The existence of sub-contracted labour and its associated practices in areas as dispersed as Jharia in the 1930's, South Gujarat in the 1980's, and Rajasthan in the 1990's ought to give us insights into the pride of place that corruption enjoys in Indian capitalism. Where labour is concerned, under-regulation has proven itself to be an effective mode of regulation.

The boundary between history and the present dissolves in the realm of production relations in the informal sector. Here is corruption in action, performing its most vital function, blending caste and capital, tradition and modernity, economic coercion and violence in a system of untrammelled plunder. Kancha Ilaiah has pointed out how the upbringing and social experience of Dalits, (the low-castes) inculcates modes of speech, deference and patterns of labour.<sup>92</sup> Harris-White's researches show how the "extra-contractual" obligations of indebted paddy producers to sell all their produce to the loan-giving merchants is regulated by force administered by privately maintained *goondas*. The experience of violently enforced obligations is a widespread phenomenon for Indian agrarian labourers.<sup>93</sup> Most of the persons employed in the unorganised sector of employment are denied education and a knowledge of their rights as citizens and workers.

## **Conclusion**

What role did these production relations play? The relentless habit of subtracting from wages, systematic tax-evasion, the notion that the attainment of an office bestows upon the holder an entitlement to monetary and other obeisance, the attachments of personal loyalty in marked or disguised juxtaposition to civic sense; the hoary traditions of patronage; the performance of administrative duty as a favour; the attitude that the provisions of justice are flexible according to status; appointments being related to personal knowledge of the appointing authority etc; these forms undermined the more abstract manifestations of civic sensibility, the ones which lay stress upon the Public Interest. They have created a culture of corruption and an expectation of corruptibility.

Many of them may be conceptualised in liberal state discourse as corrupt practices, but only as an excrescence, rather than an essential part of hybridised Indian capitalism. They are grounded in the fragmented nature of Indian public space, even as they contribute to the subjugation of institutions to sectarian notions of the common good.

What is the function of 'corruption' in contemporary society? Insofar as India is part of the capitalist world economy, certain general arguments are valid in an answer to this question. Differences of cultural/ethnic identity are not the ones that are obliterated ideologically by the apparently equivalent exchange in the capitalist work-place, but differences of economic power. Formal equality - which has been inscribed in the Indian Constitution, but hardly fully implemented - seeks to liberate the worker from the coordinates of 'traditional' identity, but after this displacement, fixes him or her in the role of wage labour, in the differentiation of class society. The discourse of corruption disguises the fact that social equality (by which is not meant same-ness, or the absence of difference, but freedom from the bonds of class existence) has already been corrupted into *equivalence* by the wage form - the subtraction has already taken place in the supposedly equal exchange between capitalist and worker. *Only the subsequent subtractions of extra-licit nature are called corrupt.* As an ideological functionary of capital therefore, 'corruption' displaces itself discursively onto the zone of sentiment, of informality, whereas it first takes place in the abstract zone of formal equality. Capitalism breeds corruption, because an incessant dissimulation lies at the heart of its most basic relation, the exchange between capital and labour. It is this implicit dissimulation that permits 'corruption' to function as the infinitely flexible ethical barometer of modern society, revealing itself in a dance of the seven veils as it were, where the less corrupt denounce the corruption of the more corrupt, bribe-givers experience themselves as victims of bribe-takers and exponents of political mendacity very conveniently locate corruption in the sphere of financial malfeasance alone.

The discourse of corruption normalises the inequality of wage labour. By encouraging us to focus on bribes, commissions and kick-backs - informal deductions in formal monetary transactions - it deflects attention from the endemic deductions of surplus value in capitalist production. Indian 'corruption' has a further ramification, that of

normalising the conventional forms of exploitation and mediated labour relationships in the so-called informal sector. This refers to dimunitions made possible by ignorance on the part of the workers, coercion, cronyism and the functions of 'traditional' caste identities - all of which are deployed to augment the differential between outlay on wages and profit obtained, and which have crystallised as a specific form of regulation. Furthermore, as we concentrate on patronage, nepotism and influence-peddling in the political realm, we tend to forget the role that covert arrangements have played in the control and management of labour, even labour in the zone of established trade-union activity in the most 'respectable' of Indian firms. And if we restrict our vision to economic matters, as is the habit with contemporary Indian critiques of corruption, we ignore the blatant misuse of political power for an authoritarian project which goes on under our noses and flies the standard of incorruptible governance - neither of the three most recent (and highly readable) investigations of corruption take into their purview the deliberate undermining of political institutions by communalists.<sup>94</sup>

Although the practices I have mentioned are not customarily placed in the lexicon of Indian corruption, they are in my opinion, the foundation of Indian modernity. At the outset of this essay, I referred to the ideological function of a vision of society working entirely on abstractions - this means that the discourse of corruption can idealise a thoroughly regulated society, operating in the complete absence of sentiment and informality. It encourages us to believe that if only the fortuitous inflections of whimsical sentiment and human wickedness were ended, we would be liberated from 'corruption'. But no society can function in this way. What is at issue is not the existence or transience of the currency of sentiment, but its historically specific contents and the ends to which it is put by the commanders of class society.

The historical treatment of corruption is fascinating because the phenomenon is so contemporaneous. It serves nicely to remind us how deeply the concerns of our discipline originate in the present. It also gives rise to issues which could do with more reflection. At the level of the discipline for instance, I think we ought to address its ethical concerns more directly, in the manner that Hirschman has done for developmental economics.<sup>95</sup> History is the battleground of tradition and identity, and too many negative

mobilisations are taking place in their name for historians to remain neutral spectators.<sup>96</sup> Another question concerns the function of secular law and citizenship. Are they a means of subsuming older modes of social being? Despite the general outcry against universals, let me avow the belief that Indian society needs the strictest implementation of certain abstract principles - not least of them the notion of equal liability for criminal deeds, in a word, the protection and fuller development of citizenship. This analysis also requires us to address a contradiction inherent in the capitalist economy. It arises out of the all-encompassing and amoral nature of monetary pursuits on the one hand (accumulation),<sup>97</sup> and on the other, the necessity of attaching metaphysical goals to these pursuits (Growth, Nation-building, Patriotism, the Philosophy of the Firm) as a means of subjecting them to social regulation. I am suggesting that civic sense and citizenship require altruistic norms of public conduct, norms which are simultaneously undermined by the instrumentalist ethic of commerce, and that this tension is bound to have a detrimental effect on the life of public institutions. 'Corruption' poses questions about the relationship between economic, legal and moral categories in an age which has witnessed the fragmentation of ethical responsibility.

The view that India needs the enforcement of certain abstract principles does not imply that it can do away with the contradictory nature of social reality, which will always encompass the operations of both "currencies". The point however, is to determine their specific form of interaction. It is my view that by enforcing a vicious regime of informality the Indian ruling class is attempting to place the matter of social equality forever on the backburner of history. Unless public pressure can make the elite conform to the norms of a constitutional polity it will be readying the ground for political disintegration. The adherence to law and the formalities of democracy are not vacuous procedures - they are fought for by those who are denied them and become the basis for future legal and social improvements. The desperation engendered among the weak by a violent caste-based patriarchy is dangerous for peace, and for the rulers themselves, who keep blathering on about 'corruption' while they ruthlessly dismantle India's democratic institutions. Cleverness cannot indefinitely be substituted for wisdom.

What relevance does 'corruption' have for the history of institutions? To what extent are

public institutions and spaces rooted in society's need to control human passions and sentiments? This is a conundrum. Institutions may be fashioned upon cold and abstract categories, but they cannot last nor function without wise and passionate involvement on the part of at least some of their constituents. Mahatma Gandhi attempted an answer to this paradox - the meaning of his *ahimsa* is not exhausted by "non-violence", it is, rather, an Indian name for compassion and restraint. (I do not empathise with the historiographical valorisation of 'subaltern' violence). The corruption which he denounced with almost as much vehemence as violence, could only be stemmed by the conscious application of restraint in public life. Its derisiveness towards civic restraint is the main reason why communal politics is a corruption of democracy, and why polities founded upon communalism are doomed to inner decay. Communal ideologies confuse restraint with weakness, destroy respect for consensus and tolerance and give free rein to the basest human sentiments. By doing so they destroy the fundamentals of civil society, and "achieve" disintegration and disaster of the kind already witnessed in many South Asian countries, and which is evident in the growth of fascist politics in India. The projects and methods of the Taliban, the Tamil Tigers and the *Hindutva* brigade are a blight on humanity. In the past two decades the corruption of political and judicial standards and the glorification of ideologically inspired criminality have reached unprecedented heights. Civil war in our part of the world has attained nuclear normality.

In 1930 India was in the midst of a popular nationalist upsurge. As communal stirrings took place among a section of Jamshedpur's workers a senior Bihar government official (an Englishman), welcomed the development thus: "The Muhammadan awakening may be a considerable asset - but not at the cost of communal rioting, I hope".<sup>98</sup> This comment exemplifies the utilitarian stance of the colonial bureaucracy towards the mobilisation of divisive forms of popular sentiment. It suited the needs of imperialism as long as it did not cause law and order problems. This amorality on the part of the State did much to undermine the solidification of democracy in India. Imperial concerns hampered the fuller development of public institutions - to that extent the empire corrupted its own proclaimed 'modernising' work and laid the seeds of a long-term degeneration. This could have been prevented, but only on the basis of an explicit recognition and decisive political effort. Sadly, that effort was not made. There is room

for cautious optimism, however, if only in the persistent attachment to democratic elections among vast sections of the populace.

Ultimately corruption is a matter of perceived transgression. The use of the description 'corrupt' will always be marked by a touch of whimsy. This is because the concept of an 'evil end' cannot be pinned down to an universal standard, and will remain dependent upon the standpoint of the observer. Nevertheless, we are bound to assume certain norms - for without them the discipline of history will suffer the kind of academic decline ("perversion from fidelity"?) which took place in Nazi Germany. If this sounds hyperbolic, let me invite you to undertake a survey of school-textbooks of history in South Asia.<sup>99</sup> I have tried to set forth certain rational criteria of historical judgement. They arise from a study of Indian history but they have, I think a bearing on corruption in other societies as well. All said and done the pejorative meaning of this term will render the characterisation of C.F. Andrews' conduct in postponing the elections of his union, J.R.D. Tata's instructions in the matter of Homi's jail term, and the entrenchment of informality in labour relations, as 'corrupt' practices, a subjective opinion. I have no doubt where I stand, but I daresay we will all make use of 'corruption' for our different needs. As I said at the beginning of this essay, it is likely to remain in our lexicon for a long time. The struggle against corruption is a struggle for a universally acceptable standard of public conduct. Down with Corruption. Hic Rhodus, hic salta!

#### **Appendix: Selected TISCO correspondence. TFL.**

##### **JL Keenan to AR Dalal :**

General Manager's Office,  
Jamshedpur (Via Tatanagar BN Ry)  
No. CLB/278. Monday, 29 October 1934.

My dear Dalal :-

I am enclosing herewith Mahanty's note on his trip yesterday to Seraikela. You will see that the Raja is willing to reject Homi's prayer for early release but he desires a quid pro quo. In examining the three requests, I will take them in order.

1st. The Raja is afraid that Homi will try to hold meetings on the golf course or the race course or near Rivers Meet, as he formerly did, and attempt to trouble Seraikela State as he did before. In his former meetings he told the people on their way home from the bazar, to refuse to pay rents. If he attempts this in the future the Raja expects the Steel Company to do everything possible to prevent him holding such meetings, presumably by asking Government to step in. Naturally we will do everything to prevent him from holding any meetings and this request can be granted without any qualms on our part.

2nd. The Kols and Santals of Seraikela State work here as weekly paid labour. You will note he wishes us to discharge any men who try to stir up trouble. In the past we have never had any trouble in discharging weekly paid labour because, when all is said and done, they are really re-employed every month. I see no reason why we cannot accede to this request as it will not cause any trouble to the Steel Company.

3rd. Regarding this request - in the past, we have always tried to get Kols and Santals for our weekly labour because they make the best workmen. They are good workers and moral. When Indra Singh was contractor for us in the plant, he would not employ any other type of labour if he could possibly obtain these people. For a number of years we have employed this type of labour on our Open Hearth Gas Producer coal pits. When they come to work, they work and do not waste time like the Chhatisgarhias. We often require fifty to one hundred weekly labour from time to time and there is no reason why we cannot pass the word on quietly to our Employment Bureau and have employ the Santals and Kols in preference to Chhatisgarhias.

I do not like the idea of Seraikela Kols and Santals being given tickets of identification but would rather have the State send a list of, say 200 names, which Cunningham can keep personally and when we require additional labour we can take it up, through Mahanty, with the State. This labour lives in villages situated a mile or two the other side of the Karkai river.

Will you please let me have your reaction on this and if you agree, the Raja's son and his

Minister will come over and see me some time this week. We should have a record production this month and our costs should show a decided decrease due to cheaper pig iron and reductions all along the line.

Yours sincerely, General Manager.

**JRD Tata to JL Keenan :**

Strictly Confidential

1st November 1934., CL.446

Dear Keenan,

Your confidential correspondence with Dalal ending with your letter No. CLB/278 of the 29th ultimo has been passed on to me for disposal during Dalal's illness. I confirm having wired to you today as follows :-

"810. Your CLB/278 to Dalal. You may agree verbally. Writing. - Tata - "

I do not think that there can be any objection on our part to acceding to the three requests made to you, and I entirely agree with the views expressed on them in your letter of the 29th October. I hope that any undertaking that you may give will be verbally, as it is advisable for obvious reasons not to have such understanding in writing.

Yours sincerely,

(sd) Jeh. R.D. Tata

---

<sup>1</sup> I am indebted to Radhika Singha, Prabhu Mohapatra, Neeladri Bhattacharya and Madhu Sarin for their comments and suggestions on this paper, and to the Davis Center and William Jordan for motivating me to write it in the first place. None of them are responsible for its shortcomings. I also owe a great deal by way of intellectual stimulation to my fellow participants in this seminar, whose contributions were kindly sent to me by the Davis Center Manager, Kari Hoover. In the following pages, *N.A.I* is the abbreviation for the National Archives of India, and G.O.I. for the Government of India. *TFL* denotes Tata Files on Labour (a private microfilm archive to which I had access through the kind permission of Professor Blair Kling, of the University of Illinois, Urbana), *TSA*, the Tata Steel Archives, Jamshedpur; *R.C.L.*, the Royal Commission on Labour (1931), *B.L.E.C.*, the *Report of the Bihar Labour Enquiry Committee* (1940). and *T.M.G.I.*, the Transactions of the Mining and Geological Institute of India. Unless otherwise mentioned, File references are from the Bihar State Archives.



---

<sup>2</sup> cited by Thomas R. Metcalf, *Ideologies of the Raj*, The New Cambridge History of India, C.U.P. Delhi, 1996, p. 24

<sup>3</sup> Simon Leys, in "Is Ah Q Alive and Well?", from *Broken Images: Essays on Chinese Culture and Politics*, Allison & Busby, London, 1979; p. 35.

<sup>4</sup> *Transparency International Newsletter*, September 1996, cited by Harry Shutt, *The Trouble with Capitalism - An Enquiry into the Causes of Global Economic Failure*, Zed Books, London and New York, 1998, p. 168.

<sup>5</sup> Unofficial regulation is of course, another matter. Barbara Harris-White points to the strong system of ethics that, "despite or because of widespread corruption... orders and protects the commercial economy". Oral contracts, trust and ascribed reputation based on conventional ties such as caste and locality are viewed by her as important mechanisms of conduct regulation in small-scale commerce. She also draws attention to the extra-legal use of force in the 'black' and 'political' economy. See Barbara Harris-White, "Primary Accumulation, Corruption, and Development Policy", in *Review of Development and Change* volume 1 number 1, January-June 1996; pp. 92-93. Published by the Madras Institute of Development Studies, Madras.

<sup>6</sup> I have dealt with a related theme, viz., managements' dilemmas regarding the 'volatility' of workers, in a sub-section of the concluding chapter of *Politics of Labour* (p. 328-330), entitled "Subordination, Discipline and the Elemental Properties of Labour".

<sup>7</sup> M.K. Gandhi, speech to Gandhi Seva Sangh, May 3 1939, quoted in D.G. Tendulkar, *Mahatma*, vol 5, 1938-40; Publications Division, GOI, 1962, p. 94.

<sup>8</sup> From the *Radhakrishnan Reader*, Bhartiya Vidya Bhawan, Bombay, p. 517.

<sup>9</sup> K. Santhanam in *Report of the Committee on Prevention of Corruption*, GOI, Ministry of Home Affairs, 1962 quoted in S.S. Gill, *The Pathology of Corruption*, HarperCollins Publishers India, New Delhi, 1998, p. 47.

<sup>10</sup> C. A. Bayly, *Empire and Information: Intelligence Gathering and Social Communication in India, 1780-1870*, C.U.P., Cambridge, 1996, p. 153

<sup>11</sup> G.S. Ghurye, *Caste and Race in India*, Fifth edition, 1969. Popular Prakashan Bombay, repub 1993. See chapters 2 & 3, "Caste through the Ages", I & II.

<sup>12</sup> Radhika Singha, *A Despotism of Law: Crime and Justice in Early Colonial India*, O.U.P., Delhi, 1998, pp. 101-102.

<sup>13</sup> Singha, *A Despotism of Law* p. 143, fn 94.

<sup>14</sup> See "Rhetoric and Substance of Empowerment: Women, Development and the State", by Uma Chakravarty in Urvashi Butalia (ed), *Resurgent Patriarchies* (forthcoming), Arena, Hong Kong, 1999. Also see Aparna Rajagopal & Nilima Datta, "Bhanwari Devi - betrayed by the judicial system", in *Lawyer's Collective*, Bombay, vol 11, number 1, January 1996.

<sup>15</sup> Bernard Cohn, *An Anthropologist Among the Historians and Other Essays*, O.U.P. Delhi, 1987. See "Some Notes on Law and Change in North India", pp. 569-572. See also the essay entitled "Anthropological Notes on Disputes and Law in India", pp 575-631.

<sup>16</sup> An account of the structure of the workforce in southern Bihar is available in chapter 1 of my book, *The Politics of Labour Under Late Colonialism: Workers, Unions and the State in Chota Nagpur, 1928 - 1939*, Manohar, Delhi, 1995.

---

<sup>17</sup> Verrier Elwin, *The Story of Tata Steel*, (Tata Steel Diamond Jubilee Souvenir); p.78.; and S.B. Datta, *Capital Accumulation and Workers' Struggle in Indian Industrialisation. The Case of Tata Iron and Steel Company 1910-1970*, Stockholm Studies in Economic History, Stockholm, 1986, pp. 10, 19.

<sup>18</sup> *BLEC*, vol 3-B, Book 1, p. 12.

<sup>19</sup> *BLEC*, vol.3-B, Books 1 and 2.

<sup>20</sup> The figures are from the Census of India for the years mentioned.

<sup>21</sup> J.R.D. Tata, commenting on Tutwiler in 1956, quoted in Verrier Elwin, *The Story of Tata Steel* p. 41. Elwin's paean to management includes these remarks : "Life was rough, tough and hard and there was plenty of bad language and a lot of autocracy. Tutwiler gave orders that no one was to sit in his chair when he was away, and no one was ever allowed to overtake his car ! But perhaps it was the only way to get the Steel Works going" (p. 43).

<sup>22</sup> File 5/VIII/28, DC's report *Industrial Unrest in the Tata Iron and Steel Works*. Part 2, Note 1, para 6.

<sup>23</sup> Moni Ghosh, *Our Struggle*, Firma K L Mukhopadhyay, Calcutta, 1973. p. 1.

<sup>24</sup> File 5/VIII/28, *Industrial Unrest*, Part 2, Note 1, para 5.

<sup>25</sup> In 1920, the DC of Singhbhum had written, "The uneducated European or American of the smelter class is ill-fitted for handling Indians...": *RCL*, vol 4, part 1. pp. 117-119. Indians in authority were reportedly even more brutish, due perhaps, to their command of the vernacular. Of 500 foremen in 1930, about a fifth were Europeans: *RCL*, vol 4 part 2. p. 439. Antagonism towards Anglo-Indian and Parsi supervisors was a feature of work in the Bombay mills during the 1917-22 period: Rajnarayan Chandavarkar, 'Workers' Politics and the Mill Districts in Bombay Between the Wars', in *Modern Asian Studies*, vol 15 (3), (1981), p. 640.

<sup>26</sup> File 5/I/28. Special Branch reports, dtd 16/3 and 17/3/28, and Letter to Chief Secretary, 19/3/28. The son of a mechanical foreman, Maneck Homi graduated from St. Xavier's College, Bombay, and worked in TISCO from 1914 till 1919. He failed to obtain financial assistance from the company for training abroad, but nonetheless did study steel manufacture in the USA from 1919 to 1923. Refused a job upon return, he thereafter approached the Directors with 'expert' advice. When this was ignored, he criticised the management, referring to the General Manager (Tutwiler) as a 'costly ornament', and threatening to give evidence before the Tariff Board, which he did, in late 1923. His proposals included a suggestion for reductions. Homi saw his father dismissed in 1925 after fourteen years in TISCO's employment. His ambition, intelligence and spite for his fellow-Parsis in high management all played a part in the unfolding situation. *TFL* correspondence re: Maneck Homi, August - September 1919, November 1920, September - December 1923.

<sup>27</sup> File 5/I/28. SP's diaries dtd 8/4, and 15/4/28.

<sup>28</sup> The bracketed word is unclear. Alexander continued: (Andrews) "is returning here on the 9th or 10th and wants to get someone... a nationalist non labor leader, to appeal to the people along the line of this being a national institution (and) that any trouble will upset the (good) work done for labor here by Das, Ghandi (sic) etc.". *TFL*, Letter to Peterson dtd 4/4/28. A few days later he wrote, "he says men are pressing for annual election... under present conditions radicals are sure to get (hold) of Labour Association and cause trouble... (he wants) some substantial token to show that... his Presidency has been effective.": *TFL*, telegram to Peterson, dtd 11/4/28. Alexander remained confident that the election would not be held soon: File 5/I/28, Note by Inspector General of Police, (IGP) dtd 23/4/28.

<sup>29</sup> File 5/II/28. Strike Report 35 dtd 23/5/28. The position on outsiders was stated thus: "we refuse to forego our elementary right of electing any one as our office-bearer and secondly the election of outside

---

office-bearers is absolutely necessary to prevent the office-bearers of the Association being intimidated by threats of dismissal..." . *Appeal to the Members of the Indian Legislature*. JLA pamphlet, 1924, p. 5. *TFL*

<sup>30</sup> File 5/IV/28. Strike Report 57, 58, and 68 dtd 14/6 & 15/6 and 25/6/28. Details of the election are not available. Andrews was re-elected President as a tactical gesture by the strike faction, but Homi was elected Vice President.

<sup>31</sup> *TFL*. GM's memorandum L/862, dtd 4/4/28, and circular L/905 dtd 7/4/28. These orders were also quoted in Bulletin 15, Strike Report 109 dtd 5/8/28 in File 5/V/28. Alexander had noted Andrews' fear that the crane drivers "may succeed in bringing about the general strike. In order to try and avert this I have today sent out the attached letter about the Electrical dept which is self-explanatory" : Letter to Peterson : *TFL*, dtd 4/4/28.

<sup>32</sup> *TFL*. Express coded telegram dtd 18/4/28.

<sup>33</sup> File 5/I/28. Confidential Note by IGP, dtd 23/4/28.

<sup>34</sup> File 5/I/28. DC to Commissioner, dtd 22/4/28

<sup>35</sup> *TFL*. Gaganvihari Mehta to 'Lalu Kaka' 21/8/28.

<sup>36</sup> File 5/30. ASP's diaries dtd 1/4, & 10/5/30; and *TSA*, File L-62, Keenan to Peterson, dtd 6/5/30.

<sup>37</sup> File 5/30. Judgement delivered by S.C. Mazumdar, Magistrate 1st class, Chaibasa, on 23/6/30.

<sup>38</sup> File 5/30. Judgement by S.C. Mazumdar, Chaibasa, on 23/6/30.

<sup>39</sup> Interview with MP Palamkote, retired supervisor of TISCO, in Jamshedpur on 7/4/81.

<sup>40</sup> J.L. Keenan *A Steel Man in India*, Duell, Sloan and Pierce, New York, 1943; p. 172-73

<sup>41</sup> *TSA*. File L-64/II, Confidential letter dtd 21/6/30, by Manecksha Poachkhanawalla to Jivaji Gandhi, Director.

<sup>42</sup> File 5/30. ASP's diaries dtd 1/7, 7/7, & 15/7/30. The petition is unavailable, and the date unclear.

<sup>43</sup> *TSA*. File L-64/II, Confidential letter dtd 15/7/30, by Manecksha Poachkhanawalla to Jivaji Gandhi, Director.

<sup>44</sup> File 5/30. ASP's diary dtd 15/7/30. The 12 July JLF meeting was presided over by Akbar Khan, "ex-convict and notorious goonda".

<sup>45</sup> *TSA*. Confidential letter dtd 15/7/30, by Poachkhanawalla to Jivaji Gandhi, Director. (\* - commotion and violent brawls).

<sup>46</sup> See my *Politics of Labour*, chapter 6.4.

<sup>47</sup> *TFL*. Keenan to Saklatvala, dtd 16/9/31.

<sup>48</sup> Letter to N.B. Saklatvala *TFL*, dtd 19/9/31.

<sup>49</sup> File 35/31. ASP's report dtd 21/9, DC's DOs dtd 23/9 & 3/10/31. Officials reported that the majority of the 5000-strong crowd were "Punjabis with lathis (sticks)". "(Bose) arrived... on the maidan at about 6 pm with a bodyguard of Bengalis and Sylhetti Muhammadans who carried lathies. His own party greeted him... Just before he began to speak stones were thrown from all directions and a struggle developed, the Punjabis charging Bose's party. The police tried to restore order and four constables got injuries... about 37 people were slightly injured and 7 went for treatment... Subhas Bose is reported to have been hit on his

---

posterior with a lathi, but I have not been able to confirm this information...

<sup>50</sup> Moni Ghosh, *Our Struggle*, pp. 36-37.

<sup>51</sup> Chairman to Keenan, *TFL*, 22/9/31.

<sup>52</sup> File 35/31. DC's DO. dtd 23/9/31.

<sup>53</sup> File 6/32. "Memorials to H E the Governor from the workers of Tatas, Jamshedpur".

<sup>54</sup> *TFL*. Confidential letter, Keenan to AR Dalal, dtd 21/10/34, The General Manager did not have a high opinion of the Raja - "Although he is a Rajput, he seems to have the wind up about Homi". Letter CLB/280, to JRD Tata, dtd 31/10/34.

<sup>55</sup> *TFL*. Mahanty's Confidential Note to Keenan, dtd 29/10/34.

<sup>56</sup> Regarding the preference to state subjects in TISCO's unskilled workforce, Mahanty reported the Raja's belief that this would "serve the interests of the State and the Company. The State will be financially benefited and the Company can count on the State's help for forcing loyalty on the labours (sic)... They will also educate the State subjects, as are employed in the works, to have a love for this works... The Raja said that the State has got ample power in administration but no money and the Steel Company has got ample money and if the both powers join together, they can easily beat down anybody who might attempt to interfere either with the State or the Company...". *TFL*. Mahanty to Keenan, dtd 29/10/34.

<sup>57</sup> *TFL*, Keenan to Dalal, dtd 29/10/34; Jeh. R.D. Tata to Keenan, dtd 1/11/34. Tata concluded his letter, "I hope that any understanding that you may give will be verbally, as it is advisable for obvious reasons not to have such understanding in writing." (See Appendix). Mahanty's role in the conspiracy as revealed in the correspondence bears out MP Palamkote's testimony rendered in an interview with the author in Jamshedpur on 7/4/81.

<sup>58</sup> *TFL*. Telegram dtd 3/12/34. Keenan to Director in Charge.

<sup>59</sup> *TFL*. Note on HP Mody's conversation with Commissioner of Police, Bombay, dtd 4/12/34.

<sup>60</sup> *TFL*. Mahanty to Keenan, dtd 20/12/34.

<sup>61</sup> *TFL*. Copy of Judgement in Case 137 of 1934-35, by the First-Class Magistrate, Seraikela State; and telegram from Keenan to Tatasteel, dtd 30/1/35. Also, File 31/35, SB Inspector's report dtd 13/2/35.

<sup>62</sup> For more details on "Jamshedpur's goondaism problem", see *Politics of Labour*, chapter 8.16.

<sup>63</sup> See *Politics of Labour*, pp 199-200, fn. 124; and chapter 8.16. A witness to the BLEC stated that some 150 members of Giri's Metal Workers' Union had been part of TISCO's 'special force' in the 1930's.

<sup>64</sup> *RCL*. vol 4, part 1, p. 3. For a more detailed picture of labour relations in mining, see chapter 1.6 and 1.7 of *Politics of Labour*

<sup>65</sup> *RCL*. vol 4 part 1, pp. 220-1, 242; and *BLEC*, vol. 4-C, p. 266. The Managing Agency system was a unique form of commercial capitalism, with Agents sometimes controlling scores of different companies in return for commissions on the products and profits, often with little or no financial investment. For details about industrial structure and and work-organization in the coalfields, see chapters 1 and 5 of *Politics of Labour*

<sup>66</sup> M. Fryar *Paper on Defects in the System of Work in Bengal Collieries* (unpub), April 1869. India Office Library, London, File no. V /27 /611 /1.

---

<sup>67</sup> C.P. Simmons, 'Recruiting and Organising an Industrial Labour Force in Colonial India: The Case of the Coal Mining Industry, c. 1880-1939'; in *Indian Economic and Social History Review*, vol 13(4), 1976. Also see *RCL*, vol 4, part 2, p. 143, and vol 4, part 1, p. 221.

<sup>68</sup> *RCL*. Report, pp. 118-119.

<sup>69</sup> Ian J Kerr, *Building the Railways of the Raj 1850-1900*: O.U.P. Delhi, 1995, p 92.

<sup>70</sup> *BLEC*, vol 1, pp. 188-9.

<sup>71</sup> B.R. Seth, *Labour in the Indian Coal Industry*, D.B. Taraporevala Sons & Co., Bombay 1940, ch.5 & 7. Arbitrary fines would often be imposed to compensate contractors for fines levied on account of faults committed by them or their supervisory staff.

<sup>72</sup> Seth, *Labour..* p.79., and Mukutdhari Singh, to the *BLEC*, 4-C, p. 246.

<sup>73</sup> *BLEC*. vol 3-B, Book 3, pp. 246, 250 & 282.

<sup>74</sup> *RCL*, Report, pp.23-24.

<sup>75</sup> *T.M.G.I.*, vol 11 (1916), pub 1917; pt 2: Discussion on Glen George's paper: "Development of Deep Coal Areas in Bengal". T.H. Ward's intervention, pp 130-131.

<sup>76</sup> See Rana Behal and Prabhu Mohapatra, "Tea and Money versus Human Life: The Rise and Fall of the Indenture System in then Assam Tea Plantations 1840-1908"; *Occasional Papers on History and Society*, Nehru Memorial Museum and Library, New Delhi, May 1992, pp. 11-22.

<sup>77</sup> *NAI*, Progs C&I (Coal Branch), 1917, File: October 20-Filed.

<sup>78</sup> *NAI*, Progs C&I (Coal Branch), 1917, File: October 20-Filed. Correspondence between G.O.I., Army Dept., and Bengal Nagpur Railway during August 1917. A meeting of rail and government officials, who felt they had a better appreciation of the miners' mentality than the ones who drafted the proposal, reported that the "ruse" would be ineffective. "The labouring classes think there is great importance in getting their rice cheap, and will willingly go off for a day's march across country to buy cheap rice even at the risk of losing 2 days' pay..." (ibid).

<sup>79</sup> Jan Breman *Footloose Labour: Working in India's Informal Economy*, Cambridge University Press, Cambridge, 1996, p. 187-188.

<sup>80</sup> Bayly, *Empire and Information*, pp. 160-161.

<sup>81</sup> E.C. Agabeg, 'Labour in Bengal Coal Mines', *TMGI*, vol 8, 1915, pp. 25, 31 33, 35-38. An Indian manager in 1918 suggested the recruitment of convicts, "which would fetch a very good income for the Government, (whilst) improving their morality and... decreasing crime." Evidence of D. N. Das, General Manager of Bannerjee & Co., in *Rees*, p. 78.

<sup>82</sup> *TMGI*, vol 12, 1918, pp 79-89, J.H. Evans, "Housing of labour and sanitation at mines in India", with attached plates.

<sup>83</sup> Prabhu Prasad Mohapatra, "Coolies and Colliers: A Study of the Agrarian Context of Labour Migration from Chota Nagpur, 1880-1920"; *Studies in History*, vol 1 (2), 1985, pp. 261-266. Mohapatra argues that up-country workers were preferred in the mines, and replaced 'locals' because they used sojourns in the mines to make savings over long periods. Being more productive, they became for the owners, more suitable exponents of piece-rated work than the impoverished peasants from the hinterland, who tended to be seasonal. Mining was less regimented than the intensely supervised labour in the tea gardens, which

---

restricted average earnings and individual effort. With their experience of jungle clearing, tribals adjusted better to the latter.

<sup>84</sup> Vijay Prashad, *Chuhras and Colonialism*, paper delivered at the International Conference on The World of Indian Labour Amsterdam, December 1997.

<sup>85</sup> Defining gender, Scott speaks of two connected propositions: "gender is a constitutive element of social relationships based on perceived differences between the sexes, and... a primary way of signifying relationships of power... gender is constructed through kinship, but not exclusively, it is constructed as well in the economy and the polity." See "Gender, A Useful Category of Historical Analysis", in Joan Scott, (ed), *Feminism and History*, O.U.P., Oxford, 1996, pp 167-68. A comparative insight into caste may be derived from these remarks, with 'caste' being substituted for 'gender', and 'ethnic groups' for 'the sexes'.

<sup>86</sup> Communication from Walter Saise in *Report of the Inspector of Mines in India*, 1894, pp 51-53.

<sup>87</sup> S.M. Mohnot, Ben A. Falk, & L.C. Tyagi, *Mines, Mine Workers' Problems and their Remedies*, Report of the Conference of the Mine Labour Protection Campaign, Jaipur, pub. Jodhpur, 1995; p 7.

<sup>88</sup> Sohini Sengupta, *Mining: Impact on the Livelihood of People: Emerging Trends and Oxfam Responses*. Oxfam (India) Trust, New Delhi, 1997. p. 39.

<sup>89</sup> Breman, *Footloose Labour*, p. 159

<sup>90</sup> *Report of the National Commission on Labour*, 1969, Ministry of Labour, Employment and Rehabilitation, G.O.I., p. 417-419.

<sup>91</sup> Breman, *Footloose Labour*, pp. 18, 182-183, 206-207.

<sup>92</sup> Kancha, Ilaiah, *Why I am not a Hindu: A Sudra Critique of Hindutva*, Samya, Calcutta, 1996. See Chapter 1, "Childhood Formations", and chapter 3, "The Emergence of Neo-Kshatriyas and the Re-organisation of Power Relations".

<sup>93</sup> Barbara Harris-White, *op cit*, "Primary Accumulation, Corruption, and Development Policy", in *Review of Development and Change*, January-June 1996; p. 93.

<sup>94</sup> S. Guhan and Samuel Paul, *Corruption in India: Agenda for Action*, Vision Books, New Delhi, 1997; S.S. Gill, *The Pathology of Corruption*, HarperCollins Publishers India, New Delhi, 1998; and Shiv Vishvanathan and Harsh Sethi, *Foul Play: Chronicles of Corruption 1947-1997*, Banyan Books, New Delhi, 1998.

<sup>95</sup> See "Morality and the Social Sciences", in Albert O Hirschman, *Essays in Trespassing: Economics to Politics and Beyond*, C.U.P., 1981, pp. 294-306.

<sup>96</sup> In contemporary India, the political function of a vaunted assertion of 'tradition' is the stabilisation of oppressive, under-regulated and conventional modes of domination over a vast informal labour force. This hybridised social structure finds its most adequate (though not sole) ideological expression in majoritarian chauvinism. Its method is the evocation of violent sentiment against 'enemies of the nation'. Attempts at changing this state of affairs have been attacked by the flag-bearers of *Hindutva* who are also vociferous campaigners against corruption. They are represented politically by the BJP, and 'culturally' by several sister organisations of violent inclination. One of their recent targets was an Australian leprosy doctor and his two small children, burnt alive in an Orissa village on January 22, 1999. The doctor was 'suspected' of being a Christian evangelist.

<sup>97</sup> "There is no more striking symbol of the completely dynamic character of the world than that of money":

---

Georg Simmel, *The Philosophy of Money*, Berlin, 1907, repub. Routledge & Kegan Paul, London, 1978, p. 510.

<sup>98</sup> File 5/30, note by H.K. Briscoe dtd 26/6/30.

<sup>99</sup> See the cover story, *How Textbooks Teach Prejudice*, in the October 1999 issue of *Communalism Combat*, published from Bombay by Sabrang Communications.